

§ 25-9-209. Duties of secured party if account debtor has been notified of assignment.

(a) Applicability of section. – Except as otherwise provided in subsection (c) of this section, this section applies if:

- (1) There is no outstanding secured obligation; and
- (2) The secured party is not committed to make advances, incur obligations, or otherwise give value.

(b) Duties of secured party after receiving demand from debtor. – Within 10 days after receiving an authenticated demand by the debtor, a secured party shall send to an account debtor that has received notification of an assignment to the secured party as assignee under G.S. 25-9-406(a) an authenticated record that releases the account debtor from any further obligation to the secured party.

(c) Inapplicability to sales. – This section does not apply to an assignment constituting the sale of an account, chattel paper, or payment intangible. (2000-169, s. 1.)